



**SENATOR**

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E-Newsletter - 10th District

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**10th Legislative District**

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## **2009 LEGISLATURE — WEEK SIX**

I decided to hold off on this installment of the E-news so that I could provide you with the latest budget news from the Department of Revenue, which didn't present those numbers to us until late in the week. That news has a big impact on just about everything the Legislature is doing this year, but I'll give you an update on that in a moment.

In the meantime, if you'd like an idea of exactly how busy things can get during a typical week, you can check out our schedule in advance at <http://blog.senatedemocrats.wa.gov/hot-topics/hot-topics-in-the-senate-week-seven/>.

It doesn't include everything that's happening this week – just the “hot topics” that are likely to make news!

## **STATE BUDGET NEWS**

The Legislature has been concerned about the growing shortfall in state revenues for quite some time, which is why we requested that the Department of Revenue prepare a revenue forecast to be delivered ahead of the normal date in mid-March.

Last week they told us that their projections indicate that Washington's revenue shortfall is the largest in modern state history, both in terms of total dollars (\$8.3 billion) and in percentage of the overall budget (nearly a quarter of the state budget).

This puts our state in worse fiscal shape than when the initial all-cuts budget was proposed by the Governor in November, and we're not alone — the recession has wreaked havoc on 46 state budgets all across the country to the tune over \$350 billion over the next two-year cycle.

The global economic meltdown has made lawmakers' task for writing a budget harder, and there are no easy solutions. Although a federal economic recovery bill was signed by President Obama this week, it is not a bailout — the vast majority of those funds are dedicated to specific programs and projects that will help create jobs. This funding will not be able to fill the gap in state revenues that are the result of a national recession that began more than a year ago.

We are in the midst of an economic crisis that hasn't been seen since the Great Depression, but we can't let that become an excuse for sacrificing things like education for our children, access to health care, and protections for those who can't take care of themselves.

The Legislature has already sent a first round of budget cuts to the Governor — the earliest in state history that's ever been done — as an indication of just how urgent this situation is, but we've got more to do.

Unfortunately, using a “cuts only” approach to close the gap between state revenues and state spending isn't as easy as it may sound. We wouldn't be able to save enough through cuts even if we eliminated our entire state's correctional system, our entire higher education system, all care for our seniors, and all care for those with developmental disabilities!

We also need to recognize that spending reductions alone can actually harm our economy.

Economics professor Dick Startz of the University of Washington estimates that every \$1 billion reduction in annual state government spending during the recession will cost Washington about 15,000 public and private sector jobs.

Balancing the desire to fund worthy programs against our limited fiscal resources is a challenging task that will require everyone — Democrats and Republicans, advocates and citizens, all levels of government — to help find solutions.

This is a difficult challenge for all of us, and we will rise to meet this challenge as one community.

### **BUDGET MYTHS AND FACTS**

The budget is a complicated issue that takes far more time than is appropriate in a single issue of E-news, so I'll be providing some detailed information each week on state revenue and expenditures, the budget process, and what the Legislature is doing to help ease the impact of the nationwide recession.

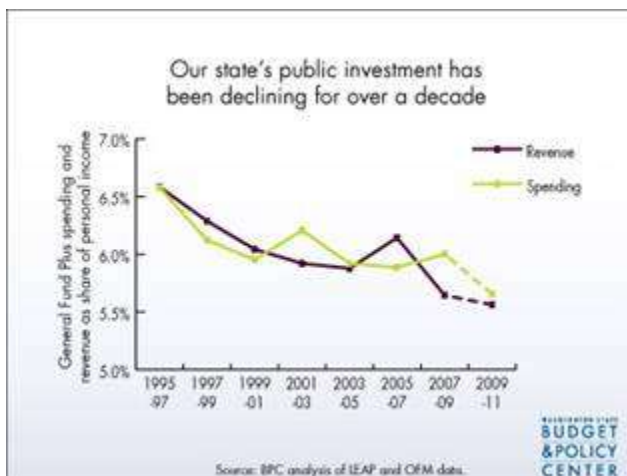
This week, I'd like to address some budget myths that my staff and I have heard:

**Budget myth # 1: The Governor and the Legislature are to blame for Washington's budget shortfall.**

**Budget reality:** The Governor and the Legislature have doubled the state average of total annual reserves in each of the last three years. 46 states currently face budget shortfalls, totaling \$350 billion over the next two years.

**Budget myth #2: Washington's budget shortfall is the result of overspending.**

**Budget reality:** State spending as a share of personal income has been declining for over a decade.



**Budget myth #3: State spending in 2005 is the appropriate level for state spending today.**

**Budget reality:** With an increase in population, inflation, service costs – and despite disappearing federal dollars — Washington has made record investments in education, health care, public safety and the environment over with past four years. But no one believes our kids are too educated, our families are too healthy, our communities are too safe, or our air and water are too clean.

**Budget myth #4: We can simply cut waste and inefficiency in government and do more with less.**

**Budget reality:** Washington ranks as the best-managed state in the nation, according to the Pew Center on the States in 2008. In 2003-05, the last time we used a cuts-only approach to address a serious shortfall, the state cut health care for 20,000 people, eliminated dental care for low-income adults, and froze funding for better teachers and smaller classrooms. We face similar choices now. A cuts-only budget means we do less with less.

**Budget myth #5: Cutting human services creates costs savings.**

**Budget reality:** Cutting needed human services such as health care and mental health treatment doesn't eliminate the need. In most cases, it exacerbates the need, and increases the costs — both financial and human — down the road.

**Budget myth #6: The federal stimulus plan will bail out our state budget.**

**Budget reality:** The federal stimulus funds will optimistically help with about a quarter of Washington's budget shortfall.

### **PROTECTING AG LANDS**

I've always fought to do whatever I can to protect agricultural lands in Washington, which is why I was very pleased to be appointed to a position on the [Senate Agricultural & Rural Economic Development Committee](#).

This year, one of the bills I've sponsored is [Senate Bill 5968](#), which will prevent state funds from being used to acquire agricultural lands of long-term commercial significance without prior written approval by a county legislative authority.

I think it's important to keep land use decisions as close to the local level as possible, and I was very pleased to have John Roozen of WA Bulb Company, Curtis Johnson from Pleasant Valley Farms and Allen Rozema of Skagitonians to Preserve Farmland all came to testify in support of this bill.

Video of our hearing is available on my website [here](#).

### **WE'RE HERE TO HELP**

My executive assistant Nova Gattman, legislative assistant Gina Bull and intern Beau Perschbacher are available to provide constituent services to the people of our community, so please feel free to contact us with questions or concerns—whether they involve bills before the Legislature or topics you feel are being overlooked.

You can reach me by [e-mail](#) or call my office in Olympia at **360-786-7618**. If you have a concern, I want to hear it.

In the meantime, please visit my [web page](#) for up-to-date info on what's happening at the Legislature. I post regular updates — including video — onto my blog, and it's far more information than we'd want to put into a weekly update like this.

Until next week — Take Care!

Thank you for reading my email newsletter. I appreciate your interest in the legislative process. If at any time you decide you no longer wish to receive updates from me, please go to <http://apps.leg.wa.gov/subscriptions/member.aspx?member=haugenm> to remove your name from the list.

**Washington Senate Democratic Caucus**